

The Loan Arranger

Fall 1999

Municipal Facilities Section - Environmental Assistance Division
Michigan Department of Environmental Quality 

DEQ Responds to Private Waterworks Stakeholder Requests

By Kelie Caudell

Since it was established in June 1997, the Drinking Water Revolving Fund (DWRf) has been used throughout Michigan to upgrade and construct drinking water systems. Several public water suppliers have drilled new wells, added or replaced storage tanks, established new connections to existing sources of drinking water, or added treatment facilities to ensure that drinking water systems are in compliance with requirements of the federal Safe Drinking Water Act. No private water suppliers have been funded due to several reasons, but one major concern is the high cost associated with obtaining a favorable credit rating (i.e. Letter of Credit).

In response to concerns expressed by private water suppliers related to obtaining a Letter of Credit, along with the desire to work with their own local financial institution, the DEQ partnered with representatives of the Michigan Banking Association to revamp the borrowing process for private water suppliers. The proposed structure (pending formal approval from the U.S. Environmental Protection Agency) includes an interest rate subsidy as a percentage point buy-down that equates to that provided to public water suppliers, with financing through a private water supplier's local financial institution. The interest subsidy will be funded from the DWRf so that the loan interest rate negotiated with local financial institutions will provide private suppliers with the same interest buy-down provided to public suppliers. For Fiscal Year 2000, this will be a 2.5 percentage point buy-down.

To learn more about interest subsidies for private water suppliers or to get DWRf program information, please call the Municipal Facilities Section at 517-373-2161.

Fiscal Year 2000 SRF & DWRf Interest Rates Established

The new rates are effective October 1, 1999 through September 30, 2000

- SRF rate - 2.5 percent
- DWRf rate - 2.5 percent for publicly-owned waterworks, and a 2.5 percentage point buy-down of interest for private water suppliers

DISBURSEMENTS Planning Ahead for the Holidays

Due to the Holidays in December and to prevent any possible problems occurring in the State's draw of our federal Capitalization Grant, we will not be processing loan disbursements the week of December 27-31, 1999. Disbursements will be processed on Wednesday, December 22, and then resume the normal schedule on Thursday, January 6, 2000. If you anticipate having a draw in December, please submit your request no later than December 21, 1999.

\$1 Billion and Counting

The Michigan Department of Environmental Quality awarded \$155,680,000 in Fourth Quarter loans from the State Revolving Fund (SRF) for 10 wastewater treatment projects. In addition, 11 Fourth Quarter loans were approved from the Drinking Water Revolving Fund (DWRF) for upgrading public water supply and distribution systems, totaling \$30,815,000. Following are the communities receiving loans, a brief description of the project, and the loan amounts:

SRF 4th Quarter Projects

Wayne Co. - Southgate-Wyandotte	flow control structure/Downriver System	\$ 560,000
Trenton .	enlarge retention treatment basin & sewer rehab	\$12,095,000
Detroit	2 nd Detroit River Outfall – Seg. 1	\$46,000,000
Detroit	Chlorination Facility	\$31,030,000
Manistee	CSO, sewer separation – Seg. 3	\$ 2,285,000
Beulah	CS, WWTP expansion	\$ 1,340,000
Southfield	CS – Seg. 2	\$13,355,000
Springport	WWTP upgrade/expansion	\$ 735,000
Detroit	CSO – Seg. 1; Leib & St. Aubin screening and disinfection facilities	\$40,655,000
Grosse Pointe Farms	CSO - sewer separation (Lakeside Sewer District)	\$ 7,625,000

DWRF 4th Quarter Projects

White Cloud .	storage tank & main replacement, looping	\$ 835,000
Flint	upgrade/expand WTP – Seg. 1	\$7,220,000
Sanilac Co. - village of Lexington	upgrade/expand Lake Huron intake, upgrade WTP, dist. Improvements	\$2,040,000
St. Clair Co. - East China/China Twps.	new intake, WTP, replace mains	\$8,425,000
Caro	replace mains, new well, transmission main	\$1,035,000
Highland Park	system rehabilitation	\$6,000,000
Eaton Rapids	replace mains, extensions, WTP upgrade	\$1,745,000
Grand Beach	replace mains	\$ 720,000
East Jordan	new well, booster pump station, replace mains, looping – Phase 2	\$1,290,000
Mt. Morris	replace mains	\$ 420,000
Ypsilanti Community Utility Authority	replace mains – Phase 2	\$1,085,000

This has been the busiest year to date for the SRF, with \$242,995,000 awarded to 17 projects. **To date, the SRF has assisted 165 projects with loans totaling \$1,076,800,000. A Billion-Dollar Celebration is planned for November.** The DWRF awarded a total of \$51,375,000 to 21 projects this year, and a total of \$104,615,000 for 45 loans since the program's inception. Other projects funded this fiscal year include:

SRF Projects

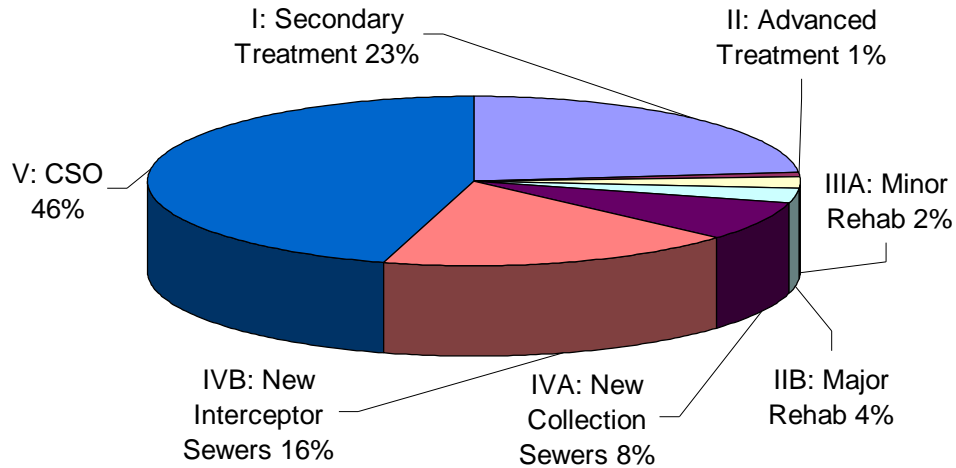
Southfield (1 st Quarter)	CS, Seg. 1B	\$10,935,000
Lansing (2 nd Quarter)	Seg. 11 CSO, sewer separation	\$10,120,000
Wayne Co. – Downriver (2 nd Quarter)	Eureka relief sewer extension	\$12,030,000
Mt. Clemens (2 nd Quarter)	CSO, sewer separation, Seg. 2, standby generator	\$ 8,225,000
Port Huron (3 rd Quarter)	CSO, sewer separation, Seg. 1	\$ 7,775,000
Detroit (3 rd Quarter)	PC 693 – dechlorination	\$21,475,000
Saginaw (3 rd Quarter)	CSO, Salt-Fraser Phase B, RTB upgrade/expansion	\$16,755,000

DWRF Projects

Wixom (2 nd Quarter)	Seg. 2, distribution and main extension, looping	\$6,180,000
Mt. Clemens (2 nd Quarter)	Seg. 2, replace mains	\$4,845,000
Fenton (2 nd Quarter)	new ground storage tank, repair tanks, looping	\$1,480,000
Ironwood (2 nd Quarter)	well field improvements, WTP improvements	\$ 900,000
Lansing Township (3 rd Quarter)	Seg. 2, replace mains, looping	\$ 780,000
Washtenaw Co. – Saline (3 rd Quarter)	Seg. 2, main replacement, looping, press valves, elevated storage tank	\$1,420,000
Melvindale (3 rd Quarter)	replace mains, looping	\$1,100,000
East Jordan (3 rd Quarter)	Phase 1, ground storage, replace mains	\$ 850,000
Plainwell (3 rd Quarter)	two new wells, elevated storage, main extension	\$1,570,000
Holly (3 rd Quarter)	new well, rehab/expand WTP, upgrade water tower	\$1,435,000

Where has all the money gone?

STATE REVOLVING FUND: FUNDING BY CATEGORY; FY 88 TO PRESENT



The MFS Website is Getting a New Look by Robert Schneider

You may have noticed a little more activity on our website over the past few months. Well, this is the beginning of something new.

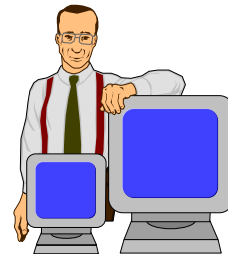
Over the past year and a half there have been a number of technological and administrative developments in the Department of Environmental Quality (DEQ) and the Environmental Assistance Division (EAD) pertaining to the Internet. There have been expanded server resources, new web design guidelines, and additional hardware and software acquisitions. As a result of all these improvements, we now have the opportunity to provide visitors with more timely, better formatted, and more comprehensive information. The DEQ and the EAD have completely revised their websites and now it's our turn.

The Municipal Facilities Section (MFS) website was one of the first websites in the DEQ to go online back in 1996. It was part of our effort to improve customer service. Since that time, however, the MFS website has changed very little, and again, in the spirit of customer service, it's time to update.

Over the next few months we plan to completely overhaul the MFS website. This will include a new look and format, converting all our documents to PDF for easy

downloading, providing more timely announcements, and making the task of navigating our website easier. In the future we hope to be able to provide forms to download for your convenience, question and answer areas, and direct access to staff e-mail locations.

Our goal is to provide the user with the most informative, up-to-date website possible. Please continue to visit our website during this online construction and accept our apologies for any inconvenience you might experience during this process. We appreciate the compliments and suggestions over the years and welcome all input, now and in the future so that we may better serve you. I am the webmaster for the MFS site, and you may e-mail any suggestions to me at schneidr@state.mi.us, or call me at 517-373-4761.



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